

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 2, 2019

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB4498** by Guillen (Relating to the reimbursement of excess costs incurred by a recipient of certain grants awarded by the Texas Department of Transportation.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time because the number and scope of grants for transportation projects in the affected areas of the State and the potential amount project cost overruns for those projects are unknown. The bill would result in an indeterminate cost to the Texas Department of Transportation.

The bill would amend Chapter 201 of the Transportation Code to require the Texas Department of Transportation (TxDOT) to reimburse a grant recipient for costs incurred by the recipient that exceed the amount of grant awarded by TxDOT for the construction of a transportation project in a county or municipality with a population of less than 15,000 if the construction of the project is managed by TxDOT. The requirement would apply only to a grant awarded on or after the effective date of the bill. The bill would take effect on September 1, 2019.

Based on the information provided by TxDOT, it is assumed the requirement to reimburse grantees in the affected areas of the state would apply to any grantee, regardless of the grantee's ability to cover project cost overruns itself, and to any type of project for which TxDOT provides grant funding. Grant funded projects may include on- and off-system roadway projects, aviation projects, and port projects. Because the number and scope of TXDOT managed transportation grant projects that may be awarded in the affected areas of the state on or after the bill's effective date and the potential cost overruns for such projects are unknown, the potential cost to TxDOT and the State cannot be determined at this time.

Local Government Impact

The Texas Association of Counties anticipates a positive fiscal impact on certain counties with populations under 15,000. However, it is not possible to determine to what extent they will be impacted.

Source Agencies: 601 Department of Transportation

LBB Staff: WP, JGAn, TG, AF